Dayton Hudson Corporation
Annual Report 1970

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CORPORATION FILE

Dayton Hudson Corporation operates department stores, low-margin stores, specialty stores and regional shopping centers. At the close of 1970, it had 125 stores (indicated by dots above) in 20 states.


TEAM

Financial Highlights

	1970	1969	Increase (Decrease)
Total Revenues	**$969,287,000**	$888,357,000	9.1%
Income Before Income Taxes	**37,570,000**	48,073,000	(21.8)
Net Income	**18,970,000**	23,673,000	(19.9)
Earnings Per Common Share	**1.16**	1.49	(22.1)
Shareholders' Investment	**289,560,000**	269,703,000	7.4
Working Capital	**159,186,000**	148,814,000	7.0
Capital Expenditures	**56,794,000**	92,765,000	(38.8)
Total Square Feet of Retail Space	**12,585,000**	10,706,000	17.6
Average Common Shares Outstanding	**16,020,000**	15,814,000	1.3
Number of Shareholders	**9,428**	9,473	(.5)

To Our Shareholders

As a growth company, we consider our 1970 earnings to be most unsatisfactory.

Revenues totaled a record $969,287,000, up 9.1 percent from $888,357,000 in 1969, but much of this increase was contributed by new stores. Net income for 1970 was $18,970,000, compared with $23,673,000 in 1969. Earnings per share were $1.16, compared with $1.49 a year earlier.

These results reflect a prolonged buying hesitancy on the part of consumers troubled by economic conditions and continued uncertainty over national priorities. Rising prices, rising unemployment, Vietnam, environmental problems, social unrest — all contributed to a mood of uneasiness and a slower pace of consumer buying.

The intensity of inflation in 1970 was illustrated by

a 5.3-percent increase in the consumer price index. Yet the average increase in our prices was 2.8 percent, indicating that our type of general merchandise was not a major contributor to the problem.

Despite the low level of consumer spending generally, the two fastest-growing segments of the Corporation achieved earnings increases. Led by Target, the low-margin stores group had a 24-percent increase in sales and an 11-percent increase in pretax income. Dayton Hudson Booksellers also reported a substantial profit improvement.

The Corporation continued its aggressive expansion program by opening 17 stores with a total of 1.8 million square feet of retail space — an increase of 17 percent. We also added 830,000 square feet of commercial space leased to others, an increase of 25 percent. Capital expenditures totaled $57 million.

We reached our goal of a national base for our jewelry strategy by combining with two more leading fine-jewelry companies in 1970. Our acquisition of Team Central not only took us into new markets geographically, it introduced us to franchising and gave us additional expertise in the high-potential field of consumer electronics. The year was climaxed with an agreement to acquire the John A. Brown Company of Oklahoma City, the leading department store in that market.

While we see potential for increased consumer spending in 1971, we're not counting on it.

Consumers' ability to spend has been growing, but their willingness to do so hasn't. They are caught between inflation and the fight to control it, and we see little to indicate an early or abrupt change in consumer attitude.

Any spending resurgence that does occur can be expected to emerge in new patterns. Our challenge will be to identify these shifts. We believe that Dayton Hudson's diversified approach to retailing has uniquely equipped us to serve evolving consumer needs.

Bruce B. Dayton
Chairman of the Board

K. N. Dayton
President

Joseph L. Hudson, Jr.
Vice Chairman of the Board

April 16, 1971

Joseph L. Hudson, Jr. Bruce B. Dayton K. N. Dayton

Operating Review

INTRODUCTION: *A partnership in growth*

When the Corporation made its first public stock offering in late 1967, it had 23 stores in five states. At the close of 1970 — just a little more than three years later — it had 125 stores in 20 states, along with 58 franchised outlets.

More than half of this growth was in the form of new stores opened by the Corporation.

In 1967, the Corporation had already launched discount and specialty strategies. It opened two discount stores and eight specialty stores that year.

In 1968, an accelerated building program began to push capital spending upward. The Corporation opened 14 stores.

In 1969, the major event was the merger with The J. L. Hudson Company of Detroit. Capital expenditures rose to $92.8 million. The Corporation opened 21 stores.

Then came 1970. And once again the review of operations is dominated by the evidence of expansion — new stores, new companies, new markets. Every operating group contributed to the Corporation's increasing geographic scope.

Special events help department stores maintain aura of excitement, attract crowds — Hudson's 4th of July fireworks over downtown Detroit . . .

RETAILING: *A partnership of strategies*

The key to Dayton Hudson's geographic expansion is the diversity of its approaches to the consumer. The combination of department stores, low-margin stores and specialty stores gives the Corporation more options in responding to changes in consumer needs and buying patterns. At the same time, it permits greater selectivity in choosing the best routes for expansion into new markets.

Target has more than doubled its markets in less than two years, extending its geographic span from Northern Minnesota to Southern Texas. It entered its fifth, sixth and seventh markets in 1969 with discount stores in Dallas, Houston and Colorado Springs. It entered its eighth and ninth — Tulsa and Milwaukee — in 1970.

. . . Santa's Toy Workshop, with 175 animated elves making Christmas toys in Dayton's auditorium . . .

. . . Hudson's nationally televised Thanksgiving Day parade.

John A. Brown Co., with three stores in Oklahoma City, joined the Corporation in February 1971.

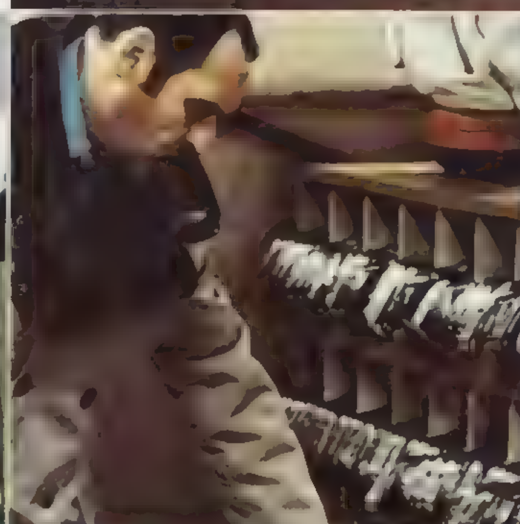
Target opened a total of seven 160,000-square-foot stores in 1970 — two each in Milwaukee and Houston, one each in Tulsa, St. Louis and Dallas.

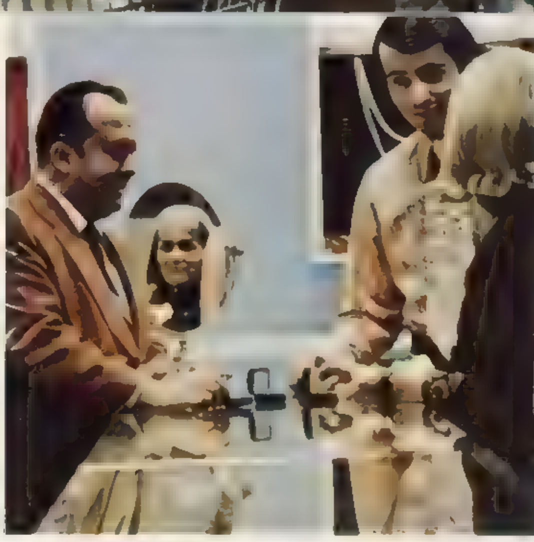
Lechmere opened its third low-margin hardgoods store in the Boston area in 1970 and is continuing its expansion program in New England with construction of a store in Springfield, Massachusetts, to open later this year.

In the department stores group, Hudson's opened its first store in Flint, Michigan, and it opened its sixth full-line suburban store in Detroit. This year it will continue its expansion by opening a store in Toledo, Ohio.

The department stores group added three new high-potential markets in the Southwest: Las Vegas, Tulsa and Oklahoma City. Through Diamond's, the Corporation took over the operation of a small department store in Las Vegas early in 1970, and it soon will open a 72,000-square-foot store in a major Tulsa shopping center.

The Corporation purchased the John A. Brown Company, which operates three department stores in Oklahoma City and a small store in Norman, Oklahoma. The 56-year-old company had sales of $23,027,000 for the year ended January 31, 1971. It adds 481,000 square feet of retail space and provides a strong base for the development of a high-quality, fashion-oriented department store in Oklahoma.





Lechmere's new store at Danvers, Massachusetts, is third for the New England hardgoods retailer. Fourth store is planned for 1971.

Dayton Hudson Booksellers, which already was in more markets than any other segment of the Corporation, opened stores in two additional markets in 1970 — Fresno and Oxnard, California. It also added stores in Riverside, California, Houston and Milwaukee.

Dayton Hudson Jewelers also entered two new markets, through J. E. Caldwell in Harrisburg, Pennsylvania, and J. B. Hudson in Omaha, Nebraska.

The specialty stores group gained three new partners in 1970, entering several new markets as a result.

Joining Dayton Hudson Jewelers were J. Jessop and Sons of San Diego, the largest fine jeweler in Southern California, and C. D. Peacock, Inc., the leading fine jeweler and oldest company in Chicago.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1919
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4

Jessop's was founded in England in 1860, moving to San Diego in 1893. It now operates seven stores in that market. Peacock, founded in 1837, operates its main store in Chicago's Palmer House Hotel and has five branches in the Chicago area.

The addition of these companies gives the Corporation a total of 31 jewelry stores in 10 markets in eight states.

Forming a new segment of the specialty stores group was Team Central, a Minneapolis-based franchisor of independent retail stores specializing in consumer electronics products.

Team Central had 50 franchised Team Electronic Centers in 14 states when it joined the Corporation at mid-year. It added eight more stores before the end of the year and six more so far in 1971.

Stores opened or scheduled to open in 1971 will increase retail space by 750,000 square feet. In addition to those

Target's new store in Dallas is its third in that city and one of seven new stores opened by Target in 1970.

already mentioned, the Corporation will open:

— Three Target stores (the seventh in the Twin Cities area, the fifth in St. Louis and the fourth in Dallas).

— Thirteen bookstores (in Louisville, Kentucky; Waukegan and Schaumburg, Illinois; Toledo, Ohio; Atlanta, Georgia; Austin and Dallas, Texas; San Jose, Lakewood, Torrance and Los Angeles, California, and two in Orange, California).

— Four jewelry stores (Shreve's in San Jose and Walnut Creek, California, Peacock in Schaumburg, Illinois, and Warren in Toledo).

Target's new stores will introduce a 133,000-square-foot prototype designed to give the company greater flexibility in market and site selection in a period of intensifying competition for prime retail locations. The new prototype requires six acres less space and can be built at relatively lower cost than those built in 1970.

With the addition of its franchised outlets, Dayton Hudson's family of operating companies is now represented in more than half of the 50 states. This growth in geographic scope

C. D. Peacock, Inc., with six Chicago-area stores, joined Dayton Hudson Jewelers in 1970.

San Diego-based J. Jessop and Sons, largest fine jeweler in Southern California, operates seven stores and is another new member of Dayton Hudson Jewelers.


The Way Things Work
The Way Things Work


B. Dalton
BOOKSELLER

has been accompanied by increasing organizational maturity and efficiency.

And despite their diversity and the distance between them, Dayton Hudson's retail companies are linked by a strong merchandising philosophy. Its prime ingredients include:

— Commitment to growth and profitability.
— Commitment to dominance, quality and fashion.
— Commitment to serving people.

REAL ESTATE: *A partnership in development*

The Corporation's real estate operations, originally service arms of Hudson's and Dayton's department stores, have evolved into a strong retail-oriented development strategy.

In 1970, these operations were integrated to form Dayton Hudson Properties, a pooling of expertise well-suited to develop the Corporation's large real estate investment effectively.

The formula has been to buy raw land, develop a major regional shopping center and use the center as a focus for a broad range of real estate projects, such as office and apartment buildings.

Through Dayton Hudson Properties, the Corporation now owns and manages eight regional shopping centers aggregating 6,780,000 square feet. Two of these were opened during 1970 — Genesee Valley Center in Flint, Michigan, and Southland Center in suburban Detroit. The Corporation also generates income from its development of peripheral properties.

Totally, Dayton Hudson Properties owns and operates 8.1 million square feet of commercial space. Of this, 4.2 is leased to other tenants. The Corporation also owns 2,072 acres of land for future development.

In addition to retail facilities completed in 1970, the company opened its second 64-unit garden apartment complex near Eastland Center in Detroit and the 140,000-square-foot Southdale Office Centre #3 in suburban Minneapolis.

Scheduled for 1971 are the completion of a 388,000-square-foot expansion of Southdale Shopping Center, including a J. C. Penney store, and the opening of two 136-unit high-rise apartment buildings being built on a joint venture basis near Detroit's Northland Center.

Team Central, Minneapolis-based franchisor of independent retail electronics stores, joined Dayton Hudson in 1970.

Genesee Valley Center in Flint, Michigan — opened in 1970 — is one of eight regional shopping centers owned and operated by Dayton Hudson Properties.

CORPORATE CITIZENSHIP: *A community partnership*

"We recognize that our results are affected not only by the way in which we operate but also by the environments in which we operate — and we therefore concern ourselves with both . . . In our view, it is the function of business to serve society . . . If business does not help solve society's problems, society may not grant it the opportunity for profitable growth that business has enjoyed in the past." — Bruce B. Dayton in a speech to Detroit community leaders, October 7, 1970

Dayton Hudson Corporation believes that its own well-being is inseparable from the well-being of the communities in which it conducts its business. It therefore utilizes 5 percent of its taxable income for the improvement of these communities.

Beyond that, Dayton Hudson strives to multiply the impact of its programs and contributions by using its corporate leadership to enlist the support of public and private resources.

Dayton Hudson seeks to meet its social responsibilities in a way that fits its business and that most effectively accomplishes its objectives. Since its business is intimately a part of local trade areas, the direction of its financial support is primarily local. Expenditures by the Corporation and the Dayton Hudson Foundation totaled $2,053,000 in 1970. The major portion of this was directed to local cultural institutions and programs designed to solve local social problems.

Southland Center in suburban Detroit opened in August.

The choice to lend major support to cultural institutions is based on the conviction that there is a strong link between the social health of a community and the quality of these institutions. The humanizing influence of the arts is keenly needed in all of the urban environments that Dayton Hudson shares.

Because of the overriding importance of local social problems, Dayton Hudson has placed high priority on supporting the search for their solution. Of particular concern are the shortages of housing and youth opportunities, the need for minority-group businesses and job training, and the renewal of the inner city. Special emphasis is placed on the critical needs of the youth and the disadvantaged.

Financial Review

Dayton Hudson Corporation and Subsidiaries

FINANCIAL PHILOSOPHY

Dayton Hudson Corporation believes that an aggressive expansion program must be balanced by a sound financial structure. An "A" rating on senior long-term debt — exemplifying that balance — is a major objective of the Corporation's financial strategy. Last summer's $25 million debenture offering was so rated by both major rating agencies.

Financing Policy

For long-term financing purposes, the Corporation views itself as having two activities with distinctly different characteristics.

Additional capital requirements for the retail expansion program are met primarily through long-term unsecured debentures sold to the public. For the retail operations, the eventual goal is an even

balance between the use of debt, including leases, and equity. This goal will be attained as permitted by satisfactory earnings coverage of fixed charges.

In addition to providing technical support to the retail companies, the real estate group develops projects leased to outside tenants. These projects are financed by mortgages, commitments for which are obtained prior to the start of construction. Because this debt is supported primarily by the credit of tenants and not by the Corporation, these operations can be more heavily leveraged without impairing the Corporation's credit. It is expected that the real estate group will continue to be heavily financed through debt and leases.

For short-term needs, the Corporation relies upon unsecured bank borrowings, and upon the sale of commercial paper supported by open bank lines. Thirteen major banks provide the Corporation with credit facilities in excess of $140 million. Of this amount, $40 million is in the form of a revolving credit and term loan agreement having a final maturity date of December 31, 1977. It is the Corporation's policy to have sufficient unused bank lines to cover peak seasonal needs and the unfunded portion of committed capital expenditures.

Accounting Policies

The Corporation follows conservative accounting policies, among them:

- Using the LIFO method of inventory valuation. In inflationary periods, LIFO more conservatively states income by recognizing that inventory must be replaced at today's prices.
- Depreciating fixed assets over the shortest asset lives permitted by the Internal Revenue Service.

  These accounting procedures have a depressive effect on current year reported earnings — although they cause no cash outflows. Because of the lower reported earnings, income taxes are minimized, thereby maximizing the cash retained for reinvestment in the business.
- Expensing start-up costs as incurred. These costs include interest and taxes during construction, as well as payroll prior to opening.

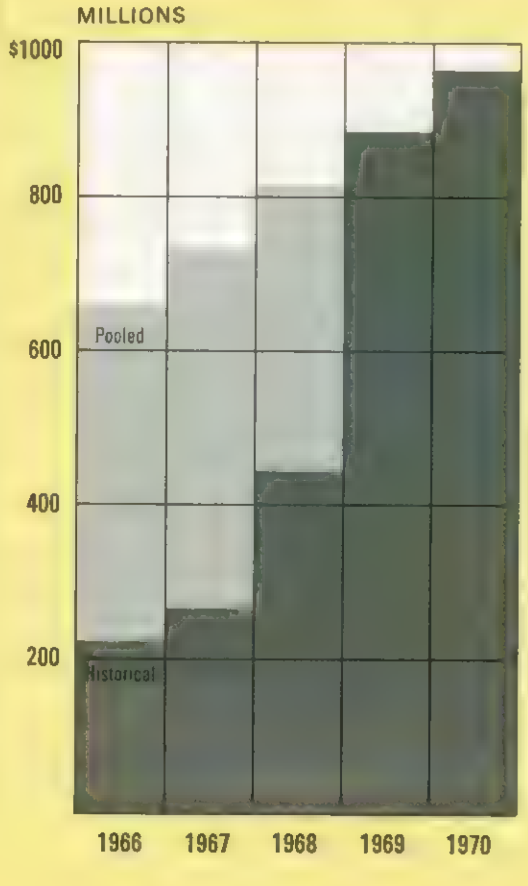
  As the Corporation is committed to continuing growth, these expenses are considered a recurring part of its cost structure and thus should be recognized as incurred. Current recognition of these expenditures more conservatively states earnings and improves the Corporation's flexibility to cut expenses in slow years.

Financial Review
(continued)

TOTAL REVENUES

The Corporation's total revenue growth in 1970 was 9.1 percent, somewhat less than the 10.0 percent annual growth rate of the past five years. This performance reflected the sluggish levels of economic activity and the related decline in consumer confidence, which according to national surveys, reached its lowest level in 14 years.

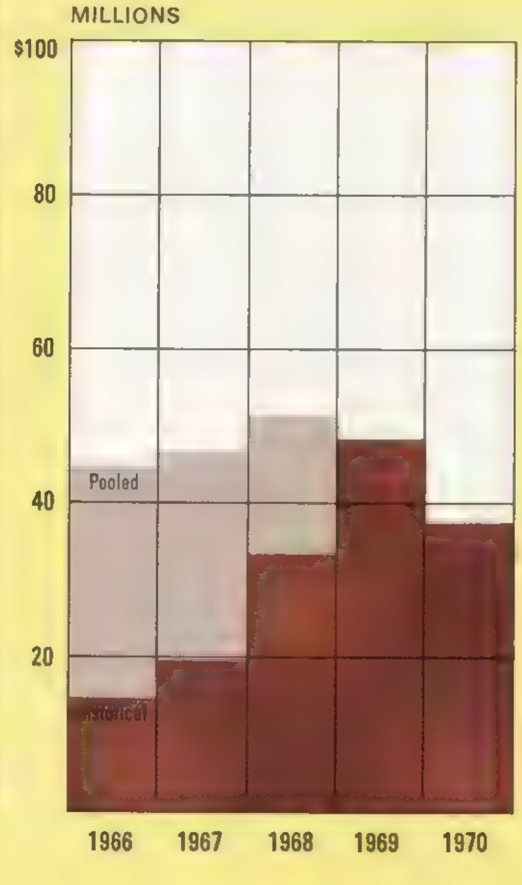
(000)	1970	1969	Increase (Decrease)
Net Retail Sales	$945,306	$868,335	8.9%
Rental Income	20,092	15,250	31.8
Realized Gain From Real Estate Sales	3,889	4,772	(18.5)
Total Revenues	$969,287	$888,357	9.1



INCOME BEFORE INCOME TAXES

Despite the increase in sales, pretax income slipped by 21.8 percent. This decline was caused primarily by the squeeze between increasing costs — including operating expenses of new stores opened during the latter half of 1969 and 1970 — and the slower pace of consumer buying. Because of these factors, new stores were unable to reach their anticipated levels of sales and profit.

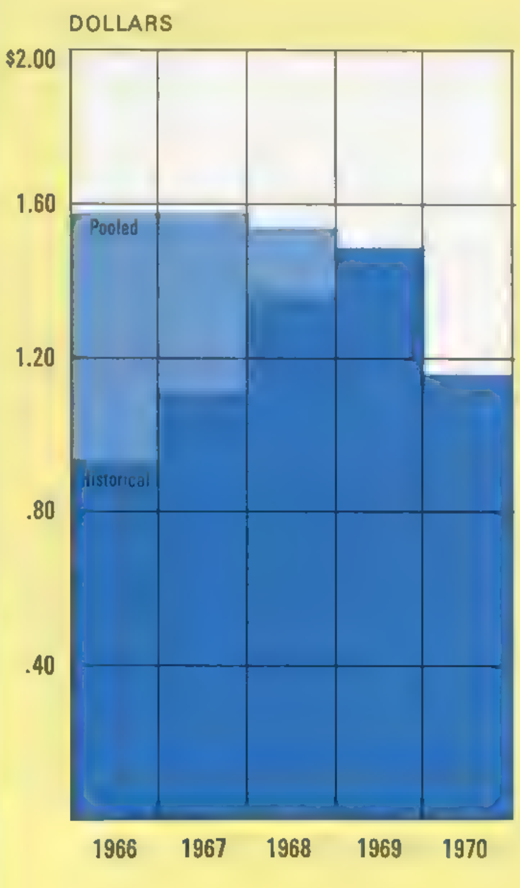
(000)	1970	1969	Increase (Decrease)
Total Revenues	$969,287	$888,357	9.1%
Costs and Expenses	931,717	840,284	10.9
Income Before Income Taxes	$ 37,570	$ 48,073	(21.8)



EARNINGS PER SHARE

Earnings per common share were $1.16 for 1970, a decrease of 22.1 percent from 1969's $1.49. LIFO and start-up expenses totalled 27 cents per share for the year, as compared with 25 cents per share in 1969.

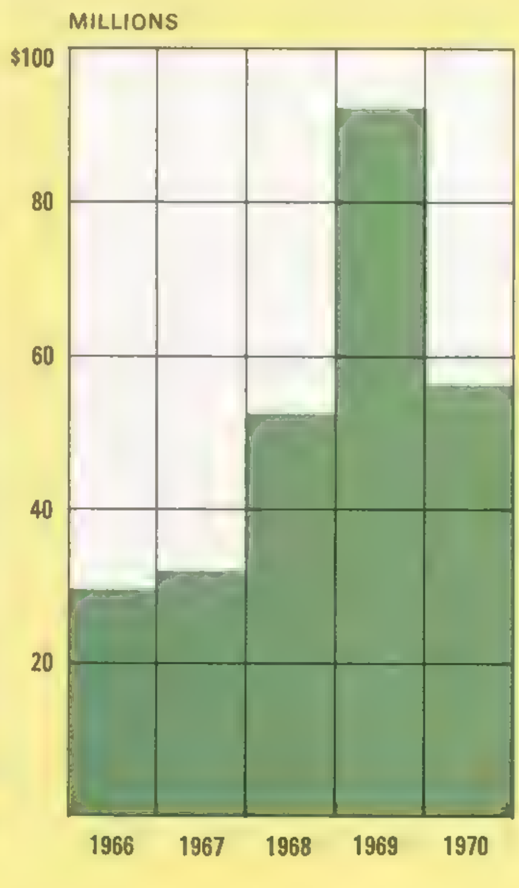
	1970	1969	Increase (Decrease)
Earnings Per Share	$1.16	$1.49	(22.1%)



CAPITAL EXPENDITURES

In 1970, the Corporation spent $56.8 million on new plant and equipment, down from 1969's $92.8 million. Capital expenditures during 1969 and 1970 increased the Corporation's retail space by 33 percent and its space leased to others by 55 percent. It is anticipated that 1971 expenditures will be $55 million. This represents the continuation of the Corporation's planned high level of investment in future growth.

(000)	1970	1969	Increase (Decrease)
Retail	$39,808	$46,740	(14.8)
Real Estate	16,986	46,025	(63.1)
Total	$56,794	$92,765	(43.1%)



Department Stores

Markets served in 1970: Hudson's — Detroit, Flint, Michigan; Dayton's — Minneapolis - St. Paul, Rochester, Minnesota; Diamond's — Phoenix, Las Vegas; Lipman's — Portland, Salem, Corvallis, Oregon.

Plans for 1971 expansion: Hudson's — Toledo, Ohio; entry into Oklahoma City and Tulsa markets through John A. Brown Company.

Financial Statistics

	1970		1969		
(Millions)	$	% of Total	$	% of Total	Change
Sales	600.7	62%	607.7	69%	(1.2%)
Costs and Expenses	576.5	62	573.2	72	.6
Income Before Income Taxes	24.2	64%	34.5	72%	(29.9%)

Stores and Expansion

	End of 1969		New in 1970		End of 1970	
	Stores	Space*	Stores	Space*	Stores	Space*
Hudson's	10	4,523	2	560	12	5,083
Dayton's	6	2,563	—	2	6	2,565
Lipman's	4	428	—	28	4	456
Diamond's	3	489	1	45	4	534
Total	23	8,003	3	635	26	8,638

*Thousands of square feet.

Low Margin Stores

Markets served in 1970: Target — Minneapolis-St. Paul, St. Louis, Houston, Dallas, Denver, Milwaukee, Duluth, Colorado Springs, Tulsa; Lechmere — Boston.

Plans for 1971 expansion: Target — Minneapolis-St. Paul, St. Louis, Dallas; Lechmere — Springfield, Massachusetts.

Financial Statistics

	1970		1969		
(Millions)	$	% of Total	$	% of Total	Change
Sales	289.0	30%	233.5	26%	23.8%
Costs and Expenses	278.9	30	224.4	27	24.3
Income Before Income Taxes	10.1	27%	9.1	19%	11.0%

Stores and Expansion

	End of 1969		New in 1970		End of 1970	
	Stores	Space*	Stores	Space*	Stores	Space*
Target	17	1,973	7	917	24	2,890
Lechmere	2	417	1	209	3	626
Total	19	2,390	8	1,126	27	3,516

*Thousands of square feet.

Specialty Stores

Markets served in 1970: Dayton Hudson Booksellers — 30 communities in 12 states; Dayton Hudson Jewelers — nine communities in eight states.

Plans for 1971 expansion: Dayton Hudson Booksellers — 13 stores in six states; Dayton Hudson Jewelers — four stores in three states.

Financial Statistics

	1970		1969		
(Millions)	$	% of Total	$	% of Total	Change
Sales	55.6	6%	27.1	3%	105.2%
Costs and Expenses	55.2	6	26.9	3	105.2
Income Before Income Taxes	.4	1%	.2	—	100.0%

Stores and Expansion

	End of 1969		New in 1970		End of 1970	
	Stores	Space*	Stores	Space*	Stores	Space*
Dayton Hudson Jewelers	16	119	15	97	31	216
Dayton Hudson Booksellers	36	194	5	21	41	215
Total	52	313	20	118	72	431

*Thousands of square feet.

Real Estate

Markets served in 1970: Detroit, Flint, Michigan; Minneapolis-St. Paul.

Plans for 1971 expansion: Expansion of Southdale Shopping Center — Minneapolis-St. Paul; completion of two joint-venture high-rise apartment buildings — Detroit.

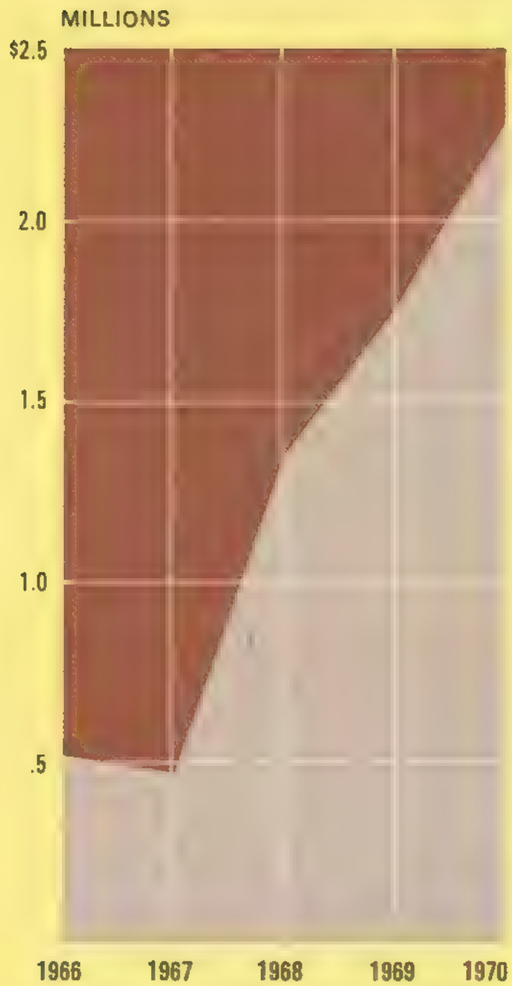
Financial Statistics

	1970	1969	
(Millions)	$	$	Change
Net Income	1.5	2.2	(31.8%)
Non-Cash Charges	7.2	6.5	10.8
Cash Flow	8.7	8.7	—

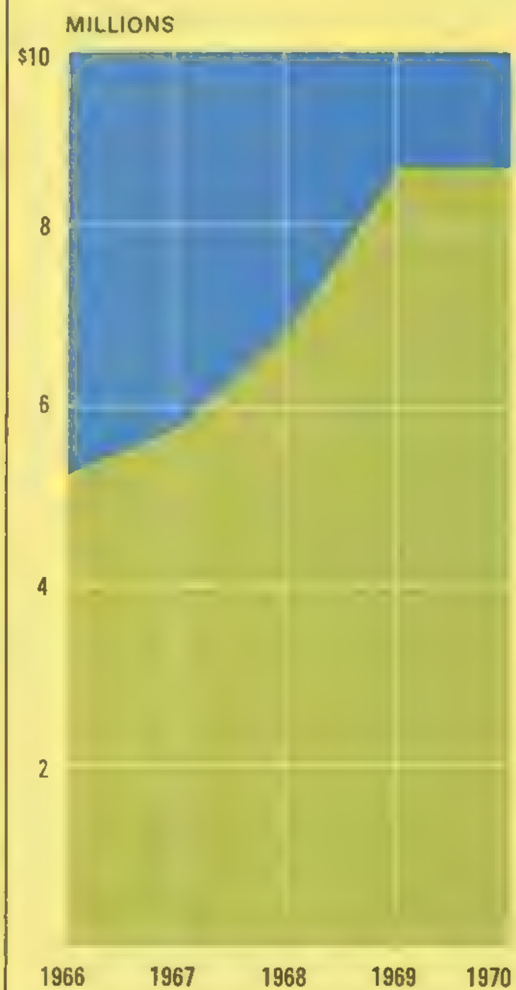
Space and Expansion

	End of 1969		New in 1970		End of 1970	
	Facilities	Space*	Facilities	Space*	Facilities	Space*
Shopping Centers	6	3,362	2	831	8	4,193
Commercial Buildings	17		1		18	
Intercompany	12	2,986	4	951	16	3,937
Total	30	6,348	5	1,782	35	8,130

*Thousands of square feet.



LIFO (the Last-In-First-Out method of inventory valuation) had the effect of reducing reported earnings by 7 cents per share in 1970, as compared with 6 cents in 1969. LIFO adjustments this year reflect the full impact of the use of LIFO by Hudson's.



CASH FLOW is the generally accepted standard of performance in the real estate industry. Defined as the sum of net income plus depreciation and deferred charges, this standard measures the amount of cash generated for reinvestment in the business. Dayton Hudson Properties is evaluated on this basis both within the Corporation and for comparison with similar companies. Dayton Hudson Properties' cash flow for 1970 was $8.7 million.

Statement of Income

Dayton Hudson Corporation
and Subsidiaries

	Fiscal Year 1970	Fiscal Year 1969
	Year Ended January 30, 1971	Year Ended January 31, 1970
REVENUES		
Net retail sales, including sales of leased departments and carrying charges	$945,305,675	$868,334,820
Rental income	20,092,126	15,250,668
Realized gain from real estate sales	3,889,233	4,771,756
	$969,287,034	$888,357,244
COSTS AND EXPENSES — Notes D, F and I		
Cost of sales and expenses, exclusive of items listed below	$851,818,699	$773,828,537
Maintenance and repairs	4,012,134	4,128,274
Depreciation of property and equipment	19,688,467	16,175,633
Rentals of real property	8,260,044	7,458,446
Interest	17,523,674	12,150,446
Taxes other than income taxes	26,824,834	22,278,246
Contribution to retirement plan	3,589,266	4,264,963
	$931,717,118	$840,284,545
INCOME BEFORE INCOME TAXES	$ 37,569,916	$ 48,072 699
Income taxes — Note A	18,600,000	24,400,000
NET INCOME	$ 18,969,916	$ 23,672,699
EARNINGS PER COMMON SHARE	$ 1.16	$ 1.49

Earnings per Common Share are based on net income less dividends on Preferred Stock and are computed on the weighted average number of shares outstanding during each year including in 1969 retroactive effect of shares issued in the pooling of The J. L. Hudson Company.

See notes to financial statements.

Statement of Financial Position

Dayton Hudson Corporation and Subsidiaries

ASSETS	End of Fiscal Year 1970	End of Fiscal Year 1969
	January 30, [illegible]	January 31, 1970
CURRENT ASSETS		
Cash	$ 25,957,641	$ 22,986,356
Accounts receivable — Note B	140,202,932	132,244,480
Merchandise inventories — Note C	155,902,149	137,193,781
Supplies and prepaid expenses	2,925,585	2,331,863
TOTAL CURRENT ASSETS	$324,988,307	$294,756,480
INVESTMENTS AND OTHER ASSETS	18,249,128	13,018,152
PROPERTY AND EQUIPMENT — on the basis of cost — Notes D, E and H		
Dayton Hudson Corporation and retail subsidiaries	[illegible]	$228,735,652
Less allowances for depreciation	83,903,216	73,713,077
	$181,112,883	$155,022,575
Real estate subsidiaries	[illegible]	$200,323,136
Less allowances for depreciation	48,756,869	42,836,504
	$167,006,669	$157,486,632
	$348,119,552	$312,509,207
	[illegible]	$620,283,839

LIABILITIES

	End of Fiscal Year 1970 January 30, 1971	End of Fiscal Year 1969 January 31, 1970
CURRENT LIABILITIES		
Notes payable — unsecured	$ 27,900,000	$ 16,450,000
Accounts payable	52,468,750	54,183,027
Taxes other than income taxes	24,820,284	21,905,601
Accrued liabilities	20,355,350	16,960,509
Income taxes, currently payable	13,690,321	11,470,300
Deferred income taxes — principally from installment sales	15,769,000	14,182,000
Long-term debt due within one year	10,798,308	10,790,971
TOTAL CURRENT LIABILITIES	$165,802,013	$145,942,408
LONG-TERM DEBT — Notes E and H		
Dayton Hudson Corporation and retail subsidiaries	$ 90,724,449	$ 78,007,169
Real estate subsidiaries	131,910,940	115,737,966
	$222,635,389	$193,745,135
DEFERRED CREDITS — principally income taxes	13,359,411	10,892,819
SHAREHOLDERS' INVESTMENT — see separate statement		
Preferred Stock	$ 621,750	$ 351,750
Common Stock	16,017,828	15,805,474
Additional paid-in capital	39,309,237	34,731,404
Retained earnings	233,611,359	218,814,849
	$289,560,174	$269,703,477
	$691,356,987	$620,283,839

See notes to financial statements.

Statement of Shareholders' Investment

Dayton Hudson Corporation and Subsidiaries

	Fiscal Year 1970 Year Ended January 30, 1971	Fiscal Year 1969 Year Ended January 31, 1970
PREFERRED STOCK — Note A		
Balance at beginning of year — $5 Convertible Preferred Stock — 35,175 shares (liquidation value $3,517,500)	$ [illegible]	$ 351,750
Add $6 Convertible Preferred Stock — 27,000 shares (liquidation value $2,700,000) issued in merger	[illegible]	—
BALANCE AT END OF YEAR	$ 621,750	$ 351,750
Authorized 200,000 shares voting, without par value, issuable in series; convertible into Common Stock at 2⅔ shares for each share of Preferred Stock.		
COMMON STOCK, par value $1 a share, less treasury stock (shares and dollars) — Notes A and G		
Balance at beginning of year	$ 15,805,474	$ 15,826,553
Add (deduct):		
Common Stock issued for merged companies	218,595	—
Shares purchased for the treasury	(6,241)	(21,079)
BALANCE AT END OF YEAR	$ [illegible]	$ 15,805,474
Authorized 20,000,000 shares. Fiscal 1970: issued 16,081,118 shares, less 63,290 shares in treasury; fiscal 1969: issued 15,981,118 shares, less 175,644 shares in treasury.		
ADDITIONAL PAID-IN CAPITAL — Note A		
Balance at beginning of year	$ 34,731,404	$ 35,352,525
Add (deduct):		
From Key Executives Restricted Stock Plan — Note G	$ 3,043,129	$ —
From revaluation of capital stock of a subsidiary contributed to Retirement Plan in prior years	690,000	—
From pooled companies	891,100	—
Expenses in connection with mergers	(46,396)	(376,006)
Transactions of pooled companies prior to mergers	—	(245,115)
	$ 4,577,833	($ 621,121)
BALANCE AT END OF YEAR	$ [illegible]	$ 34,731,404

	Fiscal Year 1970	Fiscal Year 1969
	Year Ended January 30, 1971	Year Ended January 31, 1970
RETAINED EARNINGS — Notes A and E		
Balance at beginning of year	$218,814,849	$204,277,191
Add:		
Beginning retained earnings of pooled companies	4,050,428	—
Net income for the year	18,969,916	23,672,699
	$241,835,193	$227,949,890
Deduct:		
Cash dividends on Preferred Stock	$ 233,925	$ 155,825
Cash dividends on Common Stock ($.50 a share)	7,931,931	6,779,968
Cash dividends of pooled companies prior to mergers	12,500	1,476,077
Excess of cost over par value of Common Stock acquired for the treasury	45,478	723,171
	$ 8,223,834	$ 9,135,041
BALANCE AT END OF YEAR	$233,611,359	$218,814,849
TOTAL SHAREHOLDERS' INVESTMENT	$289,560,174	$269,703,477

See notes to financial statements.

Statement of Source and Application of Funds

Dayton Hudson Corporation and Subsidiaries

	Fiscal Year 1970	Fiscal Year 1969
	Year Ended January 30, 1971	Year Ended January 31, 1970
Source of funds:		
Net income for the year	$18,969,916	$ 23,672,699
Depreciation of property and equipment	[illegible]	16,175,633
Working capital of merged companies at beginning of year	4,434,710	—
Disposals of property and equipment	[illegible]	2,796,310
New long-term debt	44,087,346	86,588,126
Increase in noncurrent deferred income taxes	2,129,986	2,836,000
Other	1,026,606	221,858
	$93,256,784	$132,290,626
Application of funds:		
Cash dividends	$ 8,178,356	$ 8,411,870
Additions to property and equipment	56,794,057	92,765,139
Purchase of common stock	51,719	744,250
Principal payments on long-term debt	[illegible]	11,675,006
Other	1,441,338	4,902,057
Increase in working capital	10,372,222	13,792,304
	$93,256,784	$132,290,626

See notes to financial statements.

Notes to Financial Statements

Dayton Hudson Corporation and Subsidiaries
January 30, 1971 and January 31, 1970

Note A — Principles of Consolidation, Other Accounting Policies and New Companies

The financial statements include the accounts of Dayton Hudson Corporation and subsidiaries (all wholly-owned) after elimination of significant intercompany accounts and transactions.

In June 1969, The J. L. Hudson Company became a wholly-owned subsidiary of the Corporation in a transaction involving 4,499,964 shares of Common Stock. The transaction was accounted for as a pooling of interests.

The Federal Trade Commission is studying the Dayton Hudson merger. The Corporation does not know what action the Commission may take, or what effect any such action may have on the merger or other aspects of the Corporation's business.

During the year ended January 30, 1971 three companies were acquired for an aggregate of 212,500 shares of Common Stock and 27,000 shares of voting $6 Convertible Preferred Stock in transactions accounted for as poolings of interests. The effect of these transactions on operations and earnings was not material and would not be material in prior years, and financial statements for prior years have not been restated.

In February 1971 the John A. Brown Company, a department store, was acquired for cash.

Included in the income tax provision are $4,277,000 and $3,880,000 deferred income taxes arising principally from the use of accelerated depreciation and the installment method of reporting sales for income tax purposes and $122,000 and $887,000 of investment credit for the years ended January 30, 1971 and January 31, 1970, respectively.

Note B — Accounts Receivable

	January 30, 1971	January 31, 1970
Due from customers:		
Thirty-day accounts	$ 17,313,269	$ 17,867,519
Deferred payment accounts	111,479,030	104,717,621
Other accounts	13,743,854	11,793,611
	$142,536,153	$134,378,751
Less allowance for losses	2,333,221	2,134,271
	$140,202,932	$132,244,480

The allowance for losses at January 31, 1970 has been restated to conform to current accounting practices for prepaid income taxes previously included therein.

Note C — Merchandise Inventories. Merchandise inventories are determined principally by the retail inventory method. At January 30, 1971 and January 31, 1970 approximately 85% and 45%, respectively, of the inventories are priced at cost (last-in, first-out method) which is not in excess of market, and the remainder at the lower of cost (first-in, first-out method) or market.

Note C — Merchandise Inventories. (Cont'd)

Inventories in the respective years are stated $7,102,487 and $4,807,335 less than the amount which would have been determined under the retail method without regard to last-in, first-out principles.

For the year ended January 31, 1970, certain inventories of a subsidiary were priced on the last-in, first-out basis for income tax purposes, but were priced in the consolidated financial statements at the lower of cost or market under the retail method. In the financial statements for the year ended January 30, 1971, the inventories of this subsidiary were priced on the last-in, first-out basis to conform with a recent Internal Revenue Service ruling governing the valuation of inventories. This had the effect of reducing fiscal 1970 earnings per share by $.03.

Note D — Property and Equipment — on the basis of cost

	January 30, 1971	January 31, 1970
Land and improvements	$ [illegible]9,250,510	$ 72,073,415
Buildings and improvements	[illegible]06,118,138	250,285,389
Fixtures and equipment	[illegible]5,557,875	70,712,493
Construction in progress	[illegible],853,114	35,987,491
	$480,779,637	$429,058,788
Less allowances for depreciation	[illegible]32,660,085	116,549,581
	$348,1[illegible]9,552	$312,509,207

Allowances for depreciation above have been computed by the straight line method.

Note E — Long-Term Debt — due beyond one year

	January 30, 1971	January 31, 1970
Sinking Fund Debentures (1)	$ 50,000,000	$ 25,000,000
Notes under Credit Agreement (2) and (3)	13,000,000	17,000,000
5⅜% Sinking Fund Notes — payable $800,000 annually to 1982 (3)	9,600,000	10,400,000
6% Sinking Fund Notes and other unsecured notes — maturing at various dates to 1985 and bearing interest at from 3¾% to 7½% (3)	7,342,828	8,554,554
Mortgage notes, notes and contracts for purchase of real estate — payable over periods ranging to 30 years from inception and bearing interest at from 4% to 9¼%	142,692,561	98,930,341
Interim bank financing	—	33,860,240
	$222,635,389	$193,745,135

Note E — Long-Term Debt — (Cont'd)

(1) $25,000,000 of 7¾% Sinking Fund Debentures under the indenture dated 1969 due 1994 are redeemable by the Corporation through minimum annual sinking fund payments of $1,250,000 commencing in 1975. $25,000,000 of 9¾% Sinking Fund Debentures under the indenture dated 1970 due 1995 are redeemable by the Corporation through minimum annual sinking fund payments of $1,250,000 commencing in 1976. The indentures contain restrictions and limitations applicable to the Corporation and certain subsidiaries. See Note (3) as to restrictions imposed by other debt agreements which are more restrictive as to dividends and other restricted payments.

(2) The notes under the Credit Agreement entered into on January 27, 1969, as amended and extended, bear interest at the prime rate and are payable on December 31, 1973. The maximum amount available under the Agreement is $40,000,000 and the Corporation has the option at any time prior to maturity to convert the balance to a term loan at ½% above prime and payable in sixteen equal quarterly installments with final maturity at December 31, 1977.

(3) These notes contain various provisions and restrictions for the protection of the lenders relating to working capital, sale of receivables, dividends and other restricted payments. Under the most restrictive of these provisions, current assets must be the greater of $75,000,000 in excess of current liabilities or 150% of current liabilities; $46,700,000 at January 30, 1971 and $36,300,000 at January 31, 1970 of retained earnings were available for dividends and other restricted payments.

Note F — Retirement Plan. The Corporation and its subsidiaries have several retirement plans covering substantially all employees. The Corporation's policy is to fund retirement costs accrued to date. The total of the accruals at January 30, 1971 and the total of the pension fund assets exceed the actuarially computed value of the vested benefits of all plans. The plan of a major subsidiary was revised and the change resulted in a decrease of the Company contribution of $817,300 for the year ended January 30, 1971.

Note G — Stock Options. The Corporation has a Qualified Stock Option Plan under which options for up to 200,000 shares of Common Stock may be granted to employees by a Stock Option Committee appointed by the Board of Directors. The option price may not be less than 100% of the fair market value of the shares on the date of grant. The options are exercisable 25% per year cumulatively in each of the second through fifth years after grant. Options were outstanding for the purchase of 115,700 shares and 65,700 shares at January 30, 1971 and January 31, 1970, respectively, at prices ranging from $24.69 to $39.00 per share. Options for 3,200 shares were cancelled during fiscal 1970. No options have been exercised.

Options for 24,450 shares at prices ranging from $33.75 to $39.00 a share at January 30, 1971 and for 9,475 shares at $37.63 a share at January 31, 1970 had become exercisable.

218,680 shares at January 30, 1971 and 219,651 shares at January 31, 1970 of Common Stock are outstanding under a terminated Key Executives Restricted Stock Plan of a subsidiary. Additional paid-in capital has been credited and prepaid compensation charged with the excess of fair market value over the issuance price. Prepaid compensation is being amortized generally to retirement dates.

Note H — Commitments. The minimum annual rentals of long-term leases, generally not exceeding 30 years from inception, of the Corporation and subsidiaries were $12,809,000 and $10,652,000 at January 30, 1971 and January 31, 1970, respectively, including $7,237,000 and $5,559,000 payable to real estate subsidiaries. Most of the leases require additional payments for real estate taxes, insurance, other expenses and rentals based on percentages of sales. Minimum annual rental income from space leased to a supermarket chain was $1,289,000 and $777,000 in the respective years.

The Corporation has entered into a 15-year lease for office space commencing in 1972. Rentals thereunder are $1,300,000 for three years and $1,600,000 thereafter.

Commitments for construction of new facilities and the purchase of real estate amounted to approximately $19,000,000 and $32,000,000 at January 30, 1971 and January 31, 1970, respectively. Mortgage commitments totaling $4,100,000 and $47,700,000 in the respective years have been obtained to provide permanent financing of certain projects to be completed during the following years.

Note I — Total Costs and Expenses. Total costs and expenses as shown in the statement of income are classified as follows in reports to the Securities and Exchange Commission:

	[illegible]	Year Ended January 31, 1970
Cost of sales, buying and occupancy costs	[illegible]	$631,592,537
Selling, publicity and administrative expenses	[illegible]	169,843,733
Provision for bad debts	[illegible]	3,063,750
Depreciation of property and equipment	[illegible]	16,175,633
Rentals of real property	[illegible]	7,458,446
Interest expense	[illegible]	12,150,446
	[illegible]	$840,284,545

Accountants' Report

Board of Directors
Dayton Hudson Corporation
Minneapolis, Minnesota

We have examined the statement of financial position of Dayton Hudson Corporation and subsidiaries as of January 30, 1971 and January 31, 1970 and the related statements of income, shareholders' investment and source and application of funds for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and statements of income, shareholders' investment and source and application of funds present fairly the financial position of Dayton Hudson Corporation and subsidiaries at January 30, 1971 and January 31, 1970 and the results of their operations, changes in shareholders' investment and source and application of funds for the years then ended, in conformity with generally accepted accounting principles consistently applied, except for the change (which we approve) from the first-in, first-out (FIFO) method of valuing inventories of a major subsidiary to the last-in, first-out (LIFO) method as described in Note C to the financial statements.

Minneapolis, Minnesota
March 19, 1971

Ernst & Ernst

Nine Year Comparisons

Dayton Hudson Corporation and Subsidiaries

	1970	1969	1968
TOTAL REVENUES (millions)			
With new companies accounted for as poolings of interest	$969.3	$888.4	$812.0
Dayton Hudson Corporation and Subsidiaries historical results	969.3	888.4	441.3
INCOME BEFORE INCOME TAXES (millions)			
With new companies accounted for as poolings of interest	37.6	48.1	51.0
Dayton Hudson Corporation and Subsidiaries historical results	37.6	48.1	33.4
NET INCOME (millions)			
With new companies accounted for as poolings of interest	19.0	23.7	24.6
Dayton Hudson Corporation and Subsidiaries historical results	19.0	23.7	15.6
PER SHARE OF COMMON STOCK			
Net income reflecting subsequent poolings of interests	1.16	1.49	1.54
Net income of Dayton Hudson Corporation and Subsidiaries historical results	1.16	1.49	1.36
Book value	17.69	16.84	15.94
CASH DIVIDENDS PER SHARE OF COMMON STOCK			
Cash dividends on a historical basis after giving retroactive effect to stock splits	.50	.50	.40
CAPITAL EXPENDITURES AND DEPRECIATION (millions)			
Capital expenditures	56.8	92.8	52.9
Depreciation and amortization	19.7	16.2	14.0
YEAR END FINANCIAL POSITION (millions)			
Working capital	159.2	148.8	135.0
Property and equipment, net of depreciation:			
Retail companies	181.1	155.0	121.0
Real estate companies	167.0	157.5	117.7
Total	348.1	312.5	238.7
Long-term debt:			
Retail companies	90.7	78.0	48.5
Real estate companies	131.9	115.7	70.3
Total	222.6	193.7	118.8
Shareholders' equity	289.6	269.7	255.8
Return on beginning shareholders' equity	7.0%	9.3%	10.3%
AVERAGE COMMON SHARES OUTSTANDING (thousands)	16,020	15,814	15,850

1967	1966	1965	1964	1963	1962
$727.8	$665.8	$601.1	$530.8	$475.9	$435.2
265.5	223.2	189.8	165.8	147.3	131.7
46.6	44.6	46.0	37.1	25.3	22.6
19.1	14.8	14.1	9.8	6.7	4.6
24.6	23.9	23.9	19.3	12.9	10.4
9.6	8.0	6.9	5.4	3.3	1.8
1.58	1.58	1.54	1.23	.79	.62
1.10	.94	.75	.57	.31	.12
14.86	13.47	11.89	10.36	9.14	8.46
.16	.07	.01	—	—	—
32.5	29.3	23.8	21.2	16.6	15.9
13.0	12.3	11.0	10.1	9.6	8.7
134.8	126.7	118.7	92.8	91.2	87.9
94.5	85.9	74.5	72.6	68.5	60.7
107.6	103.4	99.3	89.6	83.4	81.4
202.1	189.3	173.8	162.2	151.9	142.1
28.9	33.7	27.4	28.3	30.2	32.9
69.4	70.6	70.5	52.7	54.7	53.1
98.3	104.3	97.9	81.0	84.9	86.0
237.7	211.5	193.5	173.0	155.4	145.5
11.6%	12.4%	13.8%	12.4%	8.9%	8.1%
15,262	14,582	14,894	14,875	14,934	15,133

Nine Year Comparisons (Continued)

Dayton Hudson Corporation and Subsidiaries

	1970	1969	1968
DEPARTMENT STORES			
Number of stores	26	23	21
Total square feet (thousands)	8,638	8,003	7,675
Sales (millions)	$ 600.7	$ 607.7	$ 583.0
Sales per square foot	69.54	75.93	75.96
Income before income taxes (millions)	24.2	34.5	36.0
Pre-tax return on sales	4.0%	5.7%	6.2%
LOW MARGIN STORES			
Number of stores	27	19	13
Total square feet (thousands) (A)	3,516	2,390	1,577
Sales (millions)	$ 289.0	$ 233.5	$ 189.5
Sales per square foot	82.18	97.70	120.16
Income before income taxes (millions)	10.1	9.1	10.3
Pre-tax return on sales	3.5%	3.9%	5.4%
SPECIALTY STORES			
Number of stores (B)	72	52	39
Total square feet (thousands) (B)	431	313	250
Sales (millions)	$ 55.6	$ 27.1	$ 22.8
Sales per square foot (B)	95.59	86.58	91.24
Income before income taxes (millions)	4	.2	.9
Pre-tax return on sales	.7%	.7%	3.9%
TOTAL RETAIL			
Number of stores (B)	125	94	73
Total square feet (thousands) (A) (B)	12,585	10,706	9,502
Sales (millions)	$ 945.3	$ 868.3	$ 795.3
Sales per square foot (B)	73.96	81.10	83.70
Income before income taxes (millions)	34.7	43.8	47.2
Pre-tax return on sales	3.7%	5.0%	5.9%
REAL ESTATE OPERATIONS			
Number of shopping centers	8	6	5
Gross leasable square feet (thousands) (C):			
Intercompany	3,937	2,986	1,997
Other	4,193	3,362	2,706
Rental income (millions):			
Intercompany	$ 13.3	$ 10.9	$ 9.2
Other	20.1	15.3	13.3
Real estate sales (millions)	5.9	6.6	4.8
Income before income taxes (millions)	2.9	4.3	3.8
Cash flow (millions) (D)	8.7	8.7	6.9

(A) Total square feet excludes supermarket space leased to others (approximately 660,000 square feet at January 30, 1971.)

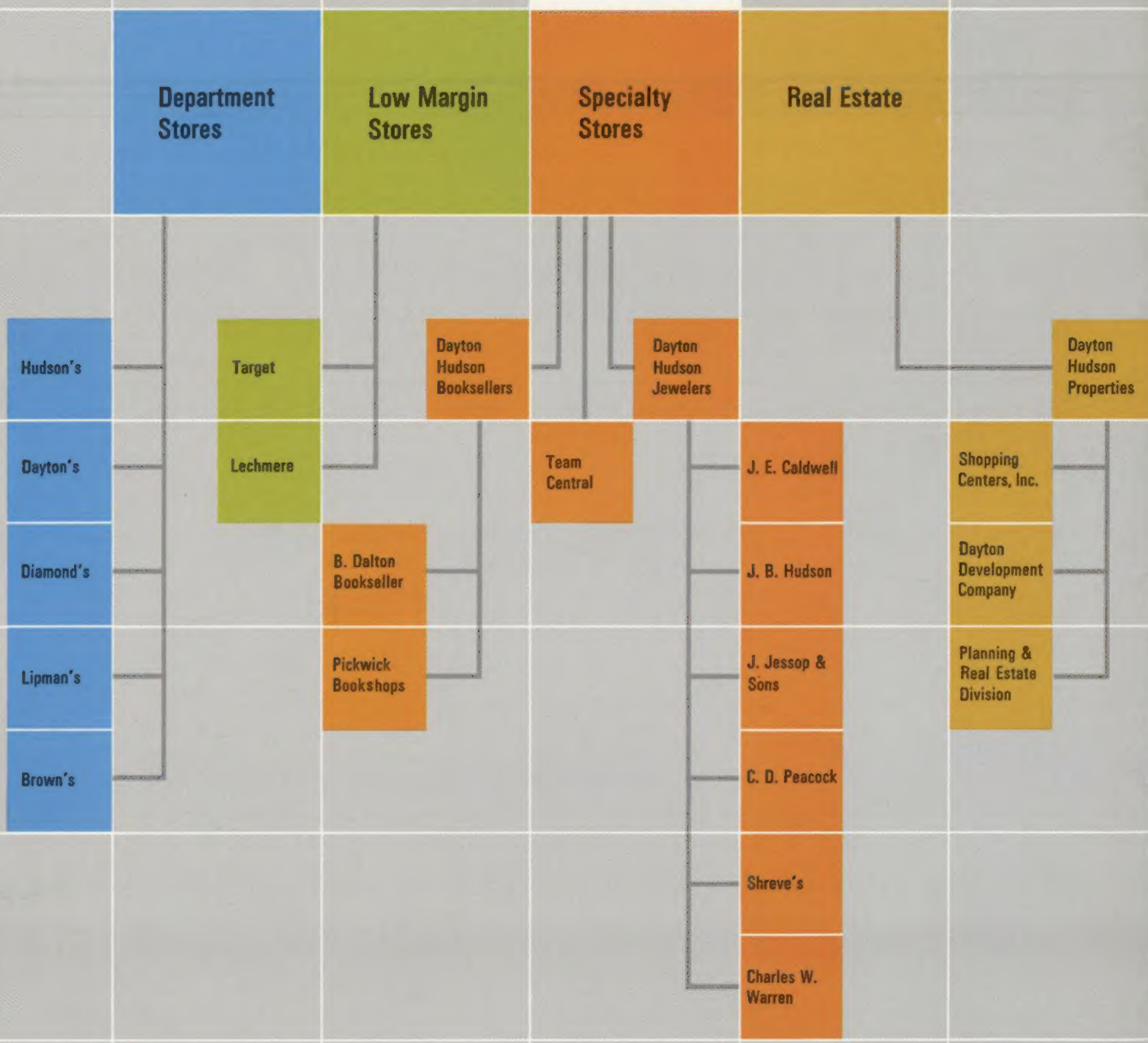
(B) Excludes Team Central Incorporated, which is not a retail business.

(C) Gross leasable square feet includes shopping center space and office and commercial buildings.

(D) Net income plus depreciation and deferred income taxes.

1967	1966	1965	1964	1963	1962
20	20	19	18	18	16
7,255	7,010	6,816	6,462	6,458	6,047
$ 554.0	$ 529.4	$ 501.5	$ 457.0	$ 415.4	$ 391.6
76.36	75.52	73.58	70.72	64.32	64.76
35.1	36.9	38.3	32.1	21.9	20.6
6.3%	7.0%	7.6%	7.0%	5.3%	5.3%
11	9	7	5	5	5
1,330	1,083	799	528	528	448
$ 141.8	$ 108.7	$ 75.9	$ 53.4	$ 42.9	$ 27.2
106.62	100.37	94.99	101.14	81.25	60.71
8.5	5.0	4.8	2.5	1.2	.1
6.0%	4.6%	6.3%	4.7%	2.8%	.4%
27	15	11	10	8	7
186	125	106	102	78	71
$ 18.3	$ 15.2	$ 13.7	$ 11.6	$ 9.5	$ 8.8
98.10	120.35	128.48	113.20	121.79	123.94
1.2	1.0	1.4	.7	.6	.6
6.6%	6.6%	10.2%	6.0%	6.3%	6.8%
58	44	37	33	31	28
8,771	8,218	7,721	7,092	7,064	6,566
$ 714.1	$ 653.3	$ 591.1	$ 522.0	$ 467.8	$ 427.6
81.42	79.50	76.56	73.60	66.22	65.12
44.8	42.9	44.5	35.3	23.7	21.3
6.3%	6.6%	7.5%	6.8%	5.1%	5.0%
5	5	5	4	4	4
1,949	1,949	1,743	1,388	1,385	1,315
2,777	2,687	2,541	2,165	2,144	2,053
$ 8.6	$ 7.9	$ 7.1	$ 6.1	$ 4.3	$ 4.1
12.1	11.2	9.7	8.4	7.8	7.4
2.2	1.8	1.9	.8	.4	.2
1.8	1.7	1.5	1.8	1.6	1.3
5.8	5.3	4.5	4.3	4.1	3.9

Note — Unless otherwise stated, data have been restated to give retroactive effect to mergers accounted for on a pooling of interests basis (see Note A of Notes to Financial Statements). Fiscal years end on approximately January 31 of the year following.


Department Stores
Low Margin Stores
Specialty Stores
Real Estate
Hudson's
Dayton's
Diamond's
Lipman's
Brown's
Target
Lechmere
Dayton Hudson Booksellers
B. Dalton Bookseller
Pickwick Bookshops
Team Central
Dayton Hudson Jewelers
J. E. Caldwell
J. B. Hudson
J. Jessop & Sons
C. D. Peacock
Shreve's
Charles W. Warren
Dayton Hudson Properties
Shopping Centers, Inc.
Dayton Development Company
Planning & Real Estate Division

Dayton Hudson Corporation

Directors

Horace Carpenter, Jr., President, Shopping Centers, Inc.
Maurice M. Cohen, President, Lechmere
Frank A. Colombo, Executive Vice President, Hudson's
Bruce B. Dayton, Chairman of the Board, Dayton Hudson Corporation
Donald C. Dayton, Retired Chairman of the Board, Dayton Hudson Corporation
Douglas J. Dayton, Senior Vice President, Dayton Hudson Corporation
K. N. Dayton, President, Dayton Hudson Corporation
Wallace C. Dayton, Conservationist
Joseph L. Hudson, Jr., Vice Chairman of the Board, Dayton Hudson Corporation
Hadlai A. Hull, Senior Vice President, Dayton Hudson Corporation
Stephen F. Keating, President, Honeywell Inc.
Robert J. Keith, Chairman of the Board, The Pillsbury Company
David M. Lilly, Chairman of the Board, Toro Manufacturing Corporation
Philip H. Nason, President, The First National Bank of St. Paul
John W. Paynter, Senior Vice President, Hudson's
William E. Roberts, Chairman, Lipman's

Officers

Bruce B. Dayton, Chairman of the Board
K. N. Dayton, President
Joseph L. Hudson, Jr., Vice Chairman of the Board
William A. Andres, Senior Vice President
Robert J. Crabb, Senior Vice President
Douglas J. Dayton, Senior Vice President
Carl R. Erickson, Senior Vice President
William A. Hodder, Senior Vice President
Hadlai A. Hull, Senior Vice President
Wayne E. Thompson, Senior Vice President
John C. Curran, Jr., Vice President and Treasurer
Albert B. Perlin, Vice President and Secretary

Department Stores

Hudson's
  Joseph L. Hudson, Jr., President
Dayton's
  Carl R. Erickson, Chairman of the Board
  Roy C. Eberhard, President
Diamond's
  Glenn E. Johnson, Chairman
  W. Wallace Barrett, President
Lipman's
  William E. Roberts, Chairman
  Edward F. Finn, President
Brown's
  James W. Sherburne, President

Low Margin Stores

Target
  William A. Hodder, President
Lechmere
  Maurice M. Cohen, President

Specialty Stores

DAYTON HUDSON BOOKSELLERS
B. Dalton, Bookseller
  Edward N. Dayton, President
Pickwick Bookshops
  Louis Epstein, Chairman
  Eliot Leonard, President
DAYTON HUDSON JEWELERS
  Samuel B. Druy, President
J. B. Hudson, Jeweler
  Stanley S. Smith, President
Shreve's
  Stuart A. Johnson, President
J. E. Caldwell
  Joseph H. Green, President
Charles W. Warren
  Robert G. Harris, General Manager
J. Jessop and Sons
  Arthur J. Jessop, President
C. D. Peacock, Inc.
  C. D. Peacock, III, Chairman
  George Tesar, President
TEAM CENTRAL INCORPORATED
  Edgar C. Moreland, President

Dayton Hudson Properties

  Robert J. Crabb, President
Dayton Development Company
  James C. McClune, President
Shopping Centers, Inc.
  Horace Carpenter, Jr., President
Planning and Real Estate Division
  Dean A. Beck, President

Corporate Offices

700 Nicollet Mall
Minneapolis, Minnesota 55402

Transfer Agents

Northwestern National Bank of Minneapolis
First National City Bank, New York City

Registrars

First National Bank of Minneapolis
The Chase Manhattan Bank, N.A., New York City